

Message Text

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72

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 COME-00 CIAE-00 PM-07 INR-11 L-03

ACDA-19 NSAE-00 PA-04 RSC-01 PRS-01 SP-03 USIA-15

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R 141450Z AUG 74

FM USMISSION NATO

TO USNHLO PARIS

INFO SECSTATE WASHDC 7153

SECDEF WASHDC

UNCLAS USNATO 4398

E.O. 11652: NA

TAGS: MCAP, BEXP, NATO

SUBJECT: PROCEDURAL PROTEST OF NAMSA AWARD - HAWK KLYSTRONS

FOLLOWING TELEX DATED 11 AUG FROM VARIAN ASSOCIATES, PALO ALTO, CALIF, TO USNATO IS RETRANSMITTED AS PERTINENT TO YOUR CURRENT INVESTIGATION.

QUOTE:

FOLLOWING IS TEXT OF CABLE SENT TO GEN. GENTSCH:

QUOTE NAMSA MAINTENANCE AND SUPPLY HEADQUARTERS, 4 RUE AUGUSTE-LUMIERE, LUXEMBOURG, LUXEMBOURG- ATTN: GENERAL GENTSCH. SUBJ: FORMAL PROTEST AFTER AWARD MANS A RFQ REF. PP-H/NO. 031

THE REFERENCED RFQ REQUESTED QUOTATIONS ON 400 PCS OF POWER KLYSTRONS DESCRIBED BY NATO STOCK NO. 5960-00-913-3348. THE TENDER CLOSED ON 10 MAY 74. BOTH VARIAN ASSOCIATES OF PALO ALTO, CALIFORNIA AND T-CSF OF PARIS, FRANCE, RESPONDED TO THE TENDER.

PRIOR TO THE ISSUANCE OF THE TENDER VARIAN MANAGEMENT PERSONNEL VISITED WITH THE NAMSA PROCUREMENT GROUP AND WERE GIVEN ASSURANCE THAT THIS BID WOULD BE AWARDED TO THE QUALIFIED COMPANY SUPPLYING THE LOWEST PRICE.

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AS OF THIS DATE WE HAVE NOT RECEIVED ANY OFFICIAL NOTIFICATION OR COMMUNICATION FROM NAMSA RELATIVE TO THIS BID. UNOFFICIALLY WE HAVE BEEN ADVISED THAT AN AWARD WAS MADE TO T-CSF AROUND 15 JULY 74. FURTHER WE HAVE BEEN TOLD THAT T-CSF WAS PERMITTED

TO REDUCE THEIR INITIAL BID PRICE BY AT LEAST TEN PERCENT WHEN THEY WERE GIVEN THE OPPORTUNITY TO BUY BACK DEFECTIVE TUBES. ALSO T-CSF WAS PERMITTED TO PLACE BEFORE THE NHMO BOARD OF DIRECTORS CERTAIN DOCUMENTS WHICH MAY HAVE INFLUENCED THE DECISION OF THE BOARD. THESE ACTIONS WERE TAKEN AFTER THE 10 MAY 74 CLOSING DATE. VARIAN ASSOCIATES WAS NEVER ADVISED BY NAMSA THAT RENEGOTIATION AFTER THE CLOSING DATE WAS PERMITTED, THEREFORE WE WERE NOT GIVEN THE OPPORTUNITY TO DEFEND OUR BID OR TO OFFER A SUPPLEMENTARY BID(IN THE MATTER OF BUYING BACK DEFECTIVE TUBES).

ADDITIONALLY WE WERE TOLD UNOFFICIALLY THAT OUR BID PRICE WAS ADJUSTED UPWARD BY A FACTOR OF APPROXIMATELY 22.5 PERCENT BEFORE IT WAS COMPARED TO THE T-CSF PRICE THE VARIAN BID TO NAMSA WAS U.S. DLRS. 2,705.00 EACH F.O.B. PALO ALTO, CALIFORNIA, AND U.S. DLRS. 2,800.00 EACH C.I.F. CAPELLAN. WE HAVE BEEN ADVISED UNOFFICIALLY THAT OUR C.I.F. CAPELLAN PRICE WAS ALTERED TO SHOW A BID OF U.S. DLRS. 3,419.00 EACH. IT IS OUR UNDERSTANDING THAT THE FINAL ADJUSTED BID FROM T-CSF WAS IN EXCESS OF U.S. DLRS. 3,600.00. OUR BID TO NAMSA WAS MADE IN GOOD FAITH AND IS A FIRM COMMITMENT ON THE PART OF VARIAN ASSOCIATES TO SUPPLY THESE TUBES IN ACCORDANCE WITH THE CONDITIONS STIPULATED IN THE NAMSA PP-H/NO. 031 CALL FOR TENDER.

WE REQUEST THAT YOUR OFFICE IMMEDIATELY INVESTIGATE THE CIRCUMSTANCES SURROUNDING THIS RFQ AND SUBSEQUENT AWARD TO DETERMINE IF OUR ALLEGATIONS ARE TRUE. PENDING THE OUTCOME OF THE INVESTIGATION WE STRONGLY RECOMMEND THAT THE AWARD TO T-CSF BE CANCELLED. WE ARE MOST WILLING TO MEET WITH YOU OR MEMBERS OF YOUR STAFF AT ANY TIME TO REVIEW THIS MATTER. THIS PROTEST HAS BEEN COPIED TO THE U.S. MISSION IN BRUSSELS. WE WILL APPRECIATE RECEIVING WORD FROM YOUR OFFICE AS SOON AS POSSIBLE AS TO YOUR POSITION IN THIS MATTER. /SIGNED/ J. BLANDINE, VARIAN INTERNATIONAL GROUP, VARIAN ASSOCIATES, 600 HANSEN WAY, PALO ALTO, CALIFORNIA TELEX NO. 34-8476 TEL: (415) 493-4000. UNQUOTE/. UNCLASSIFIED

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